



Moving to Work (MTW) Newsletter

Increasing Cost Efficiency, Self-Sufficiency and Housing Choice

Volume 2, Issue 1 Winter 2012

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From the MTW Director's Desk

This winter issue of the MTW newsletter highlights the ways MTW agencies are effectively fulfilling the statutory objectives of the demonstration through the use of strategic planning. The Louisville Metro Housing Authority (LMHA) first provides a history of how MTW flexibility has assisted in the effort to redevelop a large percentage of its portfolio through HOPE VI and other programs. LMHA has been able to increase housing choice for low-income families and improve the self-sufficiency of its residents through the use of its popular scattered site portfolio in conjunction with term-limits. The Housing Authority of the County of San Bernardino (HACSB) then explains how proactive strategic planning was used to explore cost saving solutions made possible by MTW.

We would like to thank LMHA and HACSB for providing articles for this newsletter. We continue to encourage contributions from other MTW agencies for future issues so that this newsletter remains a resource to discuss the latest MTW innovations and to share the successes and challenges of the agencies in the demonstration.

We are currently looking for volunteers to provide articles for our next issue, which will focus on optimizing the use of the single fund budget. If you would like to contribute an article dealing with this or another topic, please email your MTW coordinator so we can discuss how to include your work in future issues.

For the next couple of months I will be acting for Dominique Blom as the Deputy Assistant Secretary of Public Housing Investments. During this time, Marianne Nazzaro will be the Acting MTW Director. Please welcome Ms. Nazzaro back to the MTW demonstration during this time, and please contact her on any MTW-related matters that you would normally come to me for. I will be back in the MTW Office beginning on March 26, 2012.

Sincerely,

Ivan Pour
Director, MTW Demonstration Program

MTW Policy Focus on Strategic Planning: The Housing Authority of the County of San Bernardino's Approach to Proactive Strategic Planning

The **Housing Authority of the County of San Bernardino (HACSB)** provides affordable housing to approximately 30,000 individuals from all income ranges; 67% of which are seniors, children, and individuals with disabilities. We provide more than just housing to our clients. In conjunction with an extensive list of community partners, government agencies, employment service providers and institutions of higher education we provide family/individual case management and counseling; assist with career training and job placement; and ensure program integrity.

As a proactive agency, strategic planning has always been a priority for the agency. As good stewards of taxpayers' dollars coupled with funding cuts in FY 2011 and FY 2012, we began exploring several cost saving solutions through innovative Moving to Work (MTW) initiatives. In FY 2011, we implemented our Local Inspection Standards activity. This activity allowed units that met our enhanced Housing Quality Standards to qualify for a biennial inspection. We have also modified our Biennial Inspections Activity to include all households and are currently in the implementation stage of this activity. We have not changed any of the reporting requirements and do not limit the number of interims. Furthermore we researched the possibility of outsourcing our inspections and have started with a pilot project in our Housing Choice Voucher (HCV) program. The anticipated savings from outsourcing our entire HCV inspections portfolio is approximately 43% of current costs. We are hopeful to complete the transition in FY 2012.

Aside from our MTW efforts, in FY 2011, we offered an early retirement program to staff, who were eligible to retire, that resulted in \$575,000 in annual savings. Most of the positions were not backfilled and we have restructured our voucher department staff to compensate for decreased staff. We also created two new departments – Community Development Initiatives (CDI) and the Program Integrity Unit (PIU). The mission of CDI is to serve as a catalyst for coordinating services, resources and partnerships that promote economic self-sufficiency, family strengthening, and enhance the quality of life for children, families, and seniors in order to ensure greater accountability for the investment of resources. The Program Integrity Unit oversees internal quality control and housing program fraud. The Program Integrity Unit works in close collaboration with HUD's Office of Inspector General and local law enforcement agencies.

We are currently exploring other cost saving measures, outside of MTW initiatives, and are currently conducting feasibility analyses. In FY 2011, we installed a kiosk at one of our Voucher Program Offices to assist our families with simple queries and record updates. We are also looking into alternative solutions to manage and administer our waiting list, such as an online waiting list. We are constantly striving to maximize efficiencies and have recently upgraded our technological infrastructure, including individual work stations. Other cost cutting initiatives have included virtualization of servers, using data lines for telephone services, conversion to direct deposit with a 99% success rate, implementation of an automated purchasing/requisitions system, implementation of an online staff time reporting system and implementation of an automated contractor wage reporting system. We are also currently looking into a more robust document imaging system to replace our current scanning processes and expanded technological improvements such as with Voice Over IP (VOIP).

Our efforts to achieve efficiencies are ongoing and our executive staff meets bi-weekly to continuously explore innovative solutions. We are confident that our efforts will help us weather additional funding cuts while continuing to provide the best service to our customers.

For additional information, contact, Maria Razo-Dale, Chief Administrative Officer, Housing Authority of the County of San Bernardino at mgrazo@hacsb.com.

MTW Agency Spotlight on Strategic Revitalization: Louisville Metro Housing Authority's Use of MTW Flexibilities and Strategic Planning to Improve and Reconfigure the Agency's Housing Stock Portfolio

Beginning in the mid 1990's with the HOPE VI Revitalization grant funded transformation of Cotter and Lang Homes into Park DuValle, the Louisville Metro Housing Authority (a Housing Authority of Louisville and the Housing Authority of Jefferson County merged) has continued to pursue federal, local and private funds as part of the Agency's ongoing effort to reposition and redevelop its conventional Public Housing stock. HAL's original family developments – large, dense, urban and often isolated – are in need of major renovation or replacement. One of LMHA's goals under Moving to Work has been to transform these communities, replacing the current public housing developments with mixed income communities, while at the same time providing replacement units so that the overall number of families served will not decrease.

Louisville's successes in revitalizing inner-city neighborhoods marked by high concentrations of poverty have become national models for neighborhood revitalization and community design. The Villages of Park DuValle and Liberty Green continue to draw attention from civic leaders in other cities and from those who study urban issues. While the transformation at Park DuValle occurred prior to LMHA's designation as an MTW agency, LMHA attributes part of the success of Liberty Green to its regulatory flexibility under the demonstration program.

The vision for Park DuValle was to replace the aging 1,490 unit Cotter and Lang public housing complex located on a 130 acre site, with a new mixed-income community that not only met the expressed needs and desires of neighborhood residents, but also offered a marketable development for the community at-large. What is hailed as a policy and practical success has also had a significant impact on the community. While it is possible to begin to capture the dollars spent on the project itself, these numbers just scratch the surface. The impact or "ripple effect" of the revitalization effort on adjoining neighborhoods, the business community, and the entire community is significant and demonstrates how large development projects can positively impact an entire city. The 1,200 new homes, duplexes and apartment buildings are drawing a variety of individuals and families from all over the Metro area, building a community made up of a mix of residents spanning all income levels. This total added wealth, valued at \$110,991,896 in Louisville Metro from 1998-2008, has begun to attract new businesses and services that will serve the community, creating wealth and building assets for home and business owners alike.

LMHA's second and equally successful HOPE VI undertaking was Clarksdale Homes, which is now the site of Liberty Green. LMHA committed to replace 100% of the public units razed at Clarksdale, make Liberty Green a premier example of green, energy-efficient affordable housing and develop new ways to encourage residents to achieve self-sufficiency. Through the regulatory flexibilities provided under MTW authority, LMHA was able to achieve these goals.

Efforts to redevelop the severely distressed Clarksdale development with assistance from HUD's HOPE VI program began when the Authority first submitted a grant application in June 2001. Although the initial grant was not awarded, the Authority has since submitted two more successful HOPE VI applications to replace all 713 Clarksdale public housing units in a wide variety of building types and locations, both on-site and off-site.

LMHA has to date received a total of \$40 million in Federal HUD HOPE VI Revitalization grant funds, obtained over \$200 million in physical development leverage and partnered with several for-profit and non-profit developers committed to create 1900+ public housing, low-income tax credit, market rate rental and homeownership units. Both the on and off-site components of the Clarksdale HOPE VI project are moving forward steadily. On-site, the first rental units were

occupied in June 2006, and, as of June 2009, the build out of the remaining mixed income on-site rental units had been completed. The on-site units are a combination of public housing units, low-income housing tax credit apartments and market rate rental. Finally, in 2010, LMHA completed the Liberty Green Community Center, a LEED certified facility that contains 8 public housing units, housing authority offices, a state of the art computer lab and meeting rooms.

The combination of partners participating in the build out of this neighborhood allowed Clarksdale to be transformed from a blighted public housing complex to a thriving mixed income community. Of course, adequately funding this effort was no easy task. In combination with HOPE VI, private equity, Capital, CDBG, HOME, and other funds, LMHA used MTW funds to help close the gap between available sources and the revitalization costs. The availability and employment of these funds allowed the public housing units to be better equipped with amenities such as carpet and dishwashers. Without these funds, planners might have been forced to further value engineer the site, reducing interior amenities such as washer/dryer hook-ups or exterior amenities such as brick, or forgoing installation of a geothermal heating system pilot. Instead, all units at Liberty Green are Energy Star certified and on-site public housing is indistinguishable, inside and out, from market-rate apartments.

Off-site, LMHA replaced a large portion of the demolished Public Housing units with newly constructed or acquired scattered sites, many of which are highly desirable properties – attractive three bedroom, two bath single-family homes in areas of town with good schools and convenient shopping. LMHA uses this type of public housing as an incentive for families to comply with good tenancy standards and achieve self-sufficiency. LMHA maintains a referral list of residents recommended for these scattered site units. Eligibility requirements for scattered sites include residency in a family or elderly public housing development for a one year period and a recommendation by the site manager as an outstanding resident. Outstanding resident status is attained by having no more than two late rent payments, passing annual inspections, and by adhering to all other LMHA leasing guidelines.

At the same time, the amenities and existing low rent structure may in some instances discourage residents from moving out of the unit towards self-sufficiency, therefore, there is a five-year time limitation on residency for single family, scattered-site replacement units. Also, the head of household and all adults over 18 years of age in the household must be employed and work at least 20 hours per week and continue employment throughout the five-year occupancy period. The term limit and work requirements were implemented in 2007. There cannot be any more than a 90-day gap in employment. If so, the lease may be terminated before the five-year timeframe expires. Employment may be temporarily waived if the head of household and/or other adult member(s) are a full-time student(s) or enrolled in an official training or vocational program. The elderly and residents with documented disabilities are exempted from the employment criteria, however, they must meet all of the other requirements.

In order to assist residents working to achieve the goals of the term-limit program, LMHA's 2010 MTW Plan included an activity to revise criteria for scattered site single family homes to include mandatory participation in case management. Residents are now also required to participate in case management with a goal of working toward being self-sufficient. Failure of a resident to work with the case manager and property manager may impact their eligibility to continue residing in the term-limited property and may result in immediate transfer to an appropriate size unit in one of LMHA's multi-family public housing developments.

Residents who reside in the new stand alone homes must demonstrate progress toward transitioning to a tax credit rental unit, a market rate rental unit, or homeownership. Residents' progress toward their goals is monitored and tracked by Case Managers throughout the five-year

period. If an individual does not succeed in transitioning within the five-year frame and is not able to demonstrate advancement toward their goals, but is otherwise lease-compliant, they will be transferred to another appropriately sized public housing unit in LMHA's inventory. If residents are showing significant progress and are meeting the conditions of the program, an extension of up to two years may be granted.

While build-out of the on-site rental component of LG had been completed in June 2009, acquisition of off-site replacement units was ongoing until August 2010 by which point in time LMHA met the end goal of 713 replacement units. MTW initiatives that helped the agency achieve the goal are the simplified acquisition protocol developed in cooperation with the HUD Field Office and, although it hasn't been used to date, a separate MTW policy that would allow LMHA to acquire property without HUD approval. Both policies are designed to reduce the administrative burdens related to the purchasing of units and prevent delays that would jeopardize closings, in particular on properties in non-impacted areas and competitive housing markets. For example, the simplified protocol has decreased the number of days before LMHA closes on a property. Prior to implementing the simplified protocol, it could take 8 to 10 weeks to close. LMHA had to wait on HUD approvals, environmental assessments, and appraisals to be completed. Now, LMHA can purchase a home within 4 to 6 weeks, making the Agency more competitive with prequalified homebuyers and other private entities.

LMHA is currently in the initial stages of a third HOPE VI Revitalization at Sheppard Square. As with Liberty Green, LMHA has committed to one-for-one replacement of public housing units and energy-efficient development at the new Sheppard Square. And LMHA will again look to MTW authority to implement innovative ideas that increase housing choices, incentive families to achieve self-sufficiency and achieve more effective federal expenditures, as the revitalization occurs.

For additional information, contact Tim Barry, Executive Director of the Louisville Metro Housing Authority, at Barry@lmha1.org

MTW Updates

1. The [2011 MTW Conference Report](#) is now available on the MTW website. The Report provides session summaries as well as presentations and handouts provided at the conference.
2. The MTW Office has issued updated [Guidance for MTW Agencies Transitioning from the Form HUD-50058 to the Form HUD-50058 MTW](#).

HUD News

1. On January 10, 2012, Secretary Donovan announced the awardees from the [FY11 Choice Neighborhoods Planning Grant](#) competition. A total of \$3.6 million will be awarded to 13 communities including the District of Columbia Housing Authority.
2. HUD has also published the [FY12 NOFA for Choice Neighborhood Implementation Grants](#). Congress authorized \$120 million for the program in FY12 and the NOFA announces the availability of approximately \$110 million for implementation projects. Applications are due April 10, 2012. HUD will be publishing a separate NOFA in the next few months for FY12 Choice Planning Grants.